



State Senator

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Serving the 22nd District

Shiawassee-Livingston-southern Ingham counties

GOVERNMENT IN FOCUS: THE BUDGET

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If you would like more information on the Governor's budget plan as well as read Senator Garcia's response, please read the upcoming issue of "The Monitor," Sen. Garcia's newest online publication.

Governor Granholm today released her budget recommendation for fiscal year 2004-05. Included in her summary were suggestions to balance the budget and erase a deficit of \$1.3 billion. This is due to a \$400 million revenue shortfall combined with \$900 million in necessary spending pressures.

Her recommendation includes:

- A cigarette tax that would equal \$.75 a pack or \$295 million for the upcoming fiscal year. In addition to the \$295 million, she also expects revenue growth from an increased liquor mark-up from 65 percent to 74 percent.
- Allowing the Death Tax to continue by decoupling regulations set forth by the Federal government.
- Community Health's budget will be reduced by **\$70 million**.
- Cutting Revenue Sharing by \$7.5 million and possibly suspending all revenue sharing for county governments. The county municipalities would be allowed to move their tax collecting forward from December to the summer tax and in return, keep the extra tax dollars (which would be equal to the amount they would have received through Revenue Sharing) in a reserve in which they may draw from over the next five years.
- Restoring the Foundation Allowance to \$6,700 per student except in school districts who have an allowance of over \$9,000, saving the state \$6 million.
- In schools, student pupil count allotments would be based on 50/50 ratios instead of an 80/20 ratio. This formula is used to determine the amount of funding schools receive at the beginning and end of the school appropriation year.
- \$65 million in grants for students attending private higher education schools would be eliminated.
- Michigan Challenge program classes would continue with two, fifty student classes.
- \$1 million appropriated to the backlog of DNA profiling provided by the state police.
- Closing the Wayne County women's prison and transferring prisoners to another facility in Ypsilanti. (This will not include Camp Brighton.)

This is a brief overview of what was presented this afternoon. For a more detailed explanation of the Governor's **proposal** and to learn what Senator Garcia's thoughts are about her recommendations, please be sure to read "The Monitor," Sen. Garcia's new e-mail newsletter. It will be published online next week.